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**DEPARTMENT OF COMMERCE**

**National Oceanic and Atmospheric Administration**

**50 CFR Part 648**

**[Docket No. 140821699-5361-02]**

**RIN 0648-XD461**

**Magnuson-Stevens Act Provisions; Fisheries of the Northeastern United States; Northeast Multispecies Fishery; 2015 and 2016 Sector Operations Plans and 2015 Contracts and Allocation of Northeast Multispecies Annual Catch Entitlements**

**AGENCY:** National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

**ACTION:** Final rule.

**SUMMARY:** We have partially approved sector operations plans and contracts for fishing years 2015 and 2016, granting regulatory exemptions for fishing years 2015 and 2016, and providing Northeast multispecies annual catch entitlements to approved sectors for fishing year 2015. Approval of sector operations plans is necessary to allocate annual catch entitlements to the sectors and for the sectors to operate. The Northeast Multispecies Fishery Management Plan allows limited access permit holders to form sectors, and requires sectors to submit their operations plans and contracts to us, NMFS, for approval or disapproval. Approved sectors are exempt from certain effort control regulations and receive allocations of Northeast multispecies based on its members' fishing history.

**DATES:** Sector operations plans and regulatory exemptions are effective May 1, 2015, through April 30, 2017. Northeast multispecies annual catch entitlements for sectors are effective May 1, 2015, through April 30, 2016.

**ADDRESSES:** Copies of each sector's final operations plan and contract, and the environmental assessment (EA), are available from the NMFS Greater Atlantic Regional Fisheries Office: John K. Bullard, Regional Administrator, National Marine Fisheries Service, 55 Great Republic Drive, Gloucester, MA 01930. These documents are also accessible via the Federal eRulemaking Portal: <http://www.regulations.gov>.

**FOR FURTHER INFORMATION CONTACT:** Liz Sullivan, Fishery Management Specialist, phone (978) 282-8493, fax (978) 281-9135. To review **Federal Register** documents referenced in this rule, you can visit:

<http://www.greateratlantic.fisheries.noaa.gov/sustainable/species/multispecies>.

## **SUPPLEMENTARY INFORMATION:**

### **Background**

Amendment 13 to the Northeast (NE) Multispecies Fishery Management Plan (FMP) (69 FR 22906, April 27, 2004) established a process for forming sectors within the NE multispecies (groundfish) fishery, and Amendment 16 to the FMP (74 FR 18262, April 9, 2010), followed by Framework Adjustment 45 to the FMP (76 FR 23042, April 25, 2011) and Framework 48 to the FMP (78 FR 26118; May 3, 2013), expanded and revised sector management.

The FMP defines a sector as “[a] group of persons (three or more persons, none of whom have an ownership interest in the other two persons in the sector) holding limited access vessel permits who have voluntarily entered into a contract and agree to certain fishing restrictions for a specified period of time, and which has been granted a TAC(s) [*sic*] in order to achieve

objectives consistent with applicable FMP goals and objectives.” Sectors are self-selecting, meaning each sector can choose its members.

The NE multispecies sector management system allocates a portion of the NE multispecies stocks to each sector. These annual sector allocations are known as annual catch entitlements (ACE). These allocations are a portion of a stock’s annual catch limit (ACL) available to commercial NE multispecies vessels within a sector, based on the collective fishing history of a sector’s members. Currently, sectors may receive allocations of most large-mesh NE multispecies stocks with the exception of Atlantic halibut, windowpane flounder, Atlantic wolffish, and ocean pout, which are non-allocated. A sector determines how to harvest its ACEs and may decide to consolidate operations to fewer vessels.

Because sectors elect to receive an allocation under a quota-based system, the FMP grants sector vessels several “universal” exemptions from the FMP’s effort controls. These universal exemptions apply to: Trip limits on allocated stocks; the Georges Bank (GB) Seasonal Closure Area; NE multispecies days-at-sea (DAS) restrictions; the requirement to use a 6.5-inch (16.5-cm) mesh codend when fishing with selective gear on GB; portions of the Gulf of Maine (GOM) Cod Protection Closures (as created by Framework 53; implemented concurrently with this rule); and the at-sea monitoring (ASM) coverage rate for sector vessels fishing on a monkfish DAS in the Southern New England (SNE) Broad Stock Area (BSA) with extra-large mesh gillnets. The FMP prohibits sectors from requesting exemptions from permitting restrictions, gear restrictions designed to minimize habitat impacts, and reporting requirements.

Of the 24 approved sectors, we received operations plans and preliminary contracts for fishing years 2015 and 2016 from 17 sectors. The operations plans are similar to previously approved versions, but include operations spanning two fishing years, as well as additional

exemption requests and proposals for industry-funded ASM plans. This is the first year that 2-year operations plans have been submitted by the sectors, as allowed in the Amendment 16 final rule. Two-year sector operations plans will help streamline the process for sector managers and reduce administrative burdens for both sectors and NMFS. Six sectors that have operated in past years did not submit operations plans or contracts. Four of these sectors now operate as state-operated permit banks as described below.

We have determined that the 17 sector operations plans and contracts that we have approved, and 19 of the 22 regulatory exemptions requested, in whole or partially, are consistent with the FMP's goals and objectives, and meet sector requirements outlined in the regulations at § 648.87. These 17 operations plans are similar to previously approved plans, but include a new exemption request. Copies of the operations plans and contracts, and the environmental assessment (EA), are available at <http://www.regulations.gov> and from NMFS (see ADDRESSES). One of the 17 sectors, Northeast Fishery Sector (NEFS) IV, proposes to operate as a private lease-only sector.

### **Sector Allocations**

Based on sector enrollment as of February 25, 2015, we have projected fishing year 2015 allocations in this final rule. All permits enrolled in a sector, and the vessels associated with those permits, have until April 30, 2015, to withdraw from a sector and fish in the common pool for fishing year 2015. For fishing year 2016, we will set similar roster deadlines, notify permit holders of the fishing year 2016 deadlines, and allow permit holders to change sectors separate from the annual sector operations plans approval process. We will publish final sector ACEs and common pool sub-ACL totals, based upon final rosters, as soon as possible after the start of fishing year 2015, and again after the start of fishing year 2016.

We calculate the sector's allocation for each stock by summing its members' potential sector contributions (PSC) for a stock and then multiplying that total percentage by the available commercial sub-ACL for that stock, as approved in Framework 53 to the FMP. Table 1 shows the projected total PSC for each sector by stock for fishing year 2015. Tables 2 and 3 show the allocations that each sector will be allocated, in pounds and metric tons, respectively, for fishing year 2015, based on their preliminary fishing year 2015 rosters. At the start of the fishing year, we provide the final allocations, to the nearest pound, to the individual sectors, and we use those final allocations to monitor sector catch. While the common pool does not receive a specific allocation, the common pool sub-ACLs have been included in each of these tables for comparison.

We do not assign an individual permit separate PSCs for the Eastern GB cod or Eastern GB haddock; instead, we assign each permit a PSC for the GB cod stock and GB haddock stock. Each sector's GB cod and GB haddock allocations are then divided into an Eastern ACE and a Western ACE, based on each sector's percentage of the GB cod and GB haddock ACLs. For example, if a sector is allocated 4 percent of the GB cod ACL and 6 percent of the GB haddock ACL, the sector is allocated 4 percent of the commercial Eastern U.S./Canada Area GB cod total allowable catch (TAC) and 6 percent of the commercial Eastern U.S./Canada Area GB haddock TAC as its Eastern GB cod and haddock ACEs. These amounts are then subtracted from the sector's overall GB cod and haddock allocations to determine its Western GB cod and haddock ACEs. A sector may only harvest its Eastern GB cod ACEs in the Eastern U.S./Canada Area. However, Framework 51 implemented a mechanism that allows sectors to "convert" their Eastern GB haddock allocation into Western GB haddock allocation (79 FR 22421; April 22, 2014) and fish that converted ACE in Western GB.

At the start of fishing year 2015, we will withhold 20 percent of each sector's fishing year 2015 allocation until we finalize fishing year 2014 catch information. In the past, we have typically finalized the prior year's catch during the summer months. We expect to finalize 2014 catch information consistent with this past practice. We will allow sectors to transfer fishing year 2014 ACE for two weeks of the fishing year following our completion of year-end catch accounting to reduce or eliminate any fishing year 2014 overages. If necessary, we will reduce any sector's fishing year 2015 allocation to account for a remaining overage in fishing year 2014. We will follow the same process for fishing year 2016. Each year of the operations plans, we will notify the Council and sector managers of this deadline in writing and will announce this decision on our website at: <http://www.greateratlantic.fisheries.noaa.gov/>.

**Table 1. Cumulative PSC (percentage) each sector would receive by stock for fishing year 2015.\***

Sector Name	GB Cod†	GOM Cod	GB Haddock†	GOM Haddock	GB YT Flounder	SNE/MA YT Flounder‡	CC/GOM YT Flounder‡	American Plaice	Witch Flounder	GB Winter Flounder	GOM Winter Flounder	SNE/MA Winter Flounder‡	Redfish	White Hake	Pollock
GB Cod Fixed Gear Sector (Fixed Gear Sector)	27.67935808	2.508069188	5.76053223	1.842510985	0.012338526	0.335349757	2.900535294	0.978206727	2.132068565	0.027279132	12.88328537	1.803764995	2.737607611	5.696352686	7.378771941
Maine Coast Community Sector (MCCS)	0.209472107	4.593908731	0.038763949	2.557156843	0.003529542	0.659221791	1.050244077	7.550211604	5.059266898	0.006781752	1.964107993	0.192279966	2.49840078	4.391881855	3.788187256
Maine Permit Bank	0.133517853	1.150017115	0.044321553	1.121869513	0.013781801	0.031749784	0.317541132	1.163675492	0.726726396	0.000217063	0.425383217	0.017903914	0.820665465	1.651452916	1.687468044
Northeast Coastal Communities Sector (NCCS)	0.173979141	0.850761956	0.12156115	0.360314495	0.839234291	0.722094381	0.624502697	0.158814882	0.220556881	0.068242855	0.928696099	0.297060774	0.431476083	0.812934313	0.507473595
NEFS 1	0	0.030624848	0	0.002485194	0	0	0.0375564	0.00855701	0.012746569	9.55103E-07	0.052060313	3.23398E-06	0	0	0
NEFS 2	5.785693397	18.24336498	10.69102283	16.36546783	1.910229097	1.444212376	19.28095759	7.861111508	12.79803813	3.210723119	18.43848897	3.238568394	14.72518372	5.937102218	11.25997801
NEFS 3	1.250350482	14.4542362	0.145886484	9.305432621	0.007146892	0.355112441	8.865102541	4.054725495	2.838467122	0.019617753	9.535130101	0.766907566	1.342069506	4.74811863	6.811962892
NEFS 4	4.141388572	9.585261602	5.334211202	8.266201641	2.162259834	2.346367203	5.462860684	9.285854477	8.493233037	0.691705149	6.243231591	1.281664083	6.633415642	8.051799208	6.13956226
NEFS 5	0.778804124	0.012758113	1.053822645	0.290496157	1.611585586	22.56725432	0.482700693	0.500854279	0.665881485	0.513664818	0.065815742	12.54858197	0.07677796	0.149356193	0.105160627
NEFS 6	2.866433258	2.954570521	2.922333454	3.853800992	2.703502218	5.260657286	3.734992188	3.890740903	5.203709303	1.504147303	4.554949429	1.93996288	5.303308676	3.909202713	3.293398898
NEFS 7	4.661795742	0.389982664	4.614051211	0.469838734	10.07880712	4.052928625	2.344003053	3.525287712	3.238628692	12.91879457	0.74671668	5.111936461	0.584977028	0.821143888	0.709754587
NEFS 8	6.144290183	0.467653487	5.998225373	0.209189789	11.25214114	5.962375546	6.429443155	1.720618673	2.570311936	15.50532661	3.163884539	10.02749381	0.548979457	0.512752812	0.607472949
NEFS 9	14.22968847	1.745530387	11.59904763	4.803066812	26.77690025	7.896063683	10.42613668	8.267330649	8.274748241	39.53996927	2.450067748	18.36278683	5.824426848	4.150679805	4.226744874
NEFS 10	0.729079458	5.211425491	0.25110816	2.537642334	0.001554983	0.547575942	12.6910265	1.70226779	2.393309197	0.010736743	17.86097648	0.727751379	0.545032258	0.893630738	1.388211048
NEFS 11	0.406460279	13.61584944	0.038112035	3.214095399	0.001526991	0.019512587	2.580229504	2.095916251	2.072650077	0.003308219	2.248924914	0.021603495	1.982725124	4.830691483	9.436352239
NEFS 13	7.962064191	0.897737741	15.96691698	0.952525702	24.74483888	18.82290704	4.990558725	5.158650568	6.203321063	7.237218376	2.333512423	10.97508139	3.977258859	1.744848414	2.270555669
New Hampshire Permit Bank	0.001520057	1.139033486	0.000259498	0.031174312	2.03069E-05	1.9297E-05	0.021779341	0.028468044	0.006158356	3.23661E-06	0.060320275	7.80481E-05	0.019373158	0.081220063	0.110853509
Sustainable Harvest Sector 1	20.64126839	19.67078936	34.32389115	42.76093197	14.08003285	8.306256132	13.24545693	39.48139985	34.43846704	17.40442314	10.27273026	19.28481204	51.2369025	50.73902733	39.56037962
Sustainable Harvest Sector 3	0.276889401	0.148129006	0.381148841	0.065262008	2.176947963	2.389710695	1.109489783	0.617194407	0.616807632	0.567337392	1.31685888	1.350127027	0.170949982	0.147986599	0.04944612
<b>Sectors Total</b>	<b>98.07205319</b>	<b>97.66970431</b>	<b>99.28521636</b>	<b>99.00946333</b>	<b>98.37637828</b>	<b>81.71936888</b>	<b>96.59511696</b>	<b>98.04988632</b>	<b>97.96509661</b>	<b>99.22949745</b>	<b>95.54514102</b>	<b>87.94836826</b>	<b>99.45953066</b>	<b>99.27018187</b>	<b>99.33173414</b>
Common Pool	1.92794681	2.330295692	0.714783636	0.990536672	1.623621723	18.28063112	3.404883037	1.950113682	2.034903388	0.770502551	4.454858982	12.05163174	0.540469341	0.729818134	0.668265864

\* The data in this table are based on preliminary fishing year 2015 sector rosters.

† For fishing year 2015, 6.94 percent of the GB cod ACL would be allocated for the Eastern U.S./Canada Area, while 81.62 percent of the GB haddock ACL would be allocated for the Eastern U.S./Canada Area.

‡ SNE/MA Yellowtail Flounder refers to the SNE/Mid-Atlantic stock. CC/GOM Yellowtail Flounder refers to the Cape Cod/GOM stock.

**Table 2. ACE (in 1,000 lbs), by stock, for each sector for fishing year 2015.\*#^**

Sector Name	GB Cod East	GB Cod West	GOM Cod	GB Haddock East	GB Haddock West	GOM Haddock	GB YT Flounder	SNE/MA YT Flounder	CC/GOM YT Flounder	American Plaice	Witch Flounder	GB Winter Flounder	GOM Winter Flounder	SNE/MA Winter Flounder	Redfish Estimated	White Hake	Pollock
Fixed Gear Sector	76	1015	11	2255	508	39	0	4	29	30	29	1	111	52	666	545	2232
MCCS	1	8	21	15	3	54	0	8	11	234	68	0	17	6	608	421	1146
Maine Permit Bank	0	5	5	17	4	24	0	0	3	36	10	0	4	1	200	158	510
NCCS	0	6	4	48	11	8	4	9	6	5	3	3	8	9	105	78	153
NEFS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NEFS 2	16	212	83	4186	943	346	8	18	195	244	172	134	159	93	3582	568	3406
NEFS 3	3	46	66	57	13	197	0	4	90	126	38	1	82	22	326	455	2060
NEFS 4	11	152	44	2089	470	175	9	29	55	288	114	29	54	37	1614	771	1857
NEFS 5	2	29	0	413	93	6	7	277	5	16	9	21	1	361	19	14	32
NEFS 6	8	105	13	1144	258	81	12	65	38	121	70	63	39	56	1290	374	996
NEFS 7	13	171	2	1807	407	10	43	50	24	109	44	539	6	147	142	79	215
NEFS 8	17	225	2	2349	529	4	48	73	65	53	35	646	27	289	134	49	184
NEFS 9	39	522	8	4542	1023	101	115	97	105	257	111	1648	21	529	1417	397	1278
NEFS 10	2	27	24	98	22	54	0	7	128	53	32	0	154	21	133	86	420
NEFS 11	1	15	62	15	3	68	0	0	26	65	28	0	19	1	482	463	2854
NEFS 13	22	292	4	6252	1408	20	106	231	50	160	83	302	20	316	968	167	687
New Hampshire Permit Bank	0	0	5	0	0	1	0	0	0	1	0	0	1	0	5	8	34
Sustainable Harvest Sector 1	56	757	90	13439	3026	903	61	102	134	1226	463	726	89	555	12464	4858	11966
Sustainable Harvest Sector 3	1	10	1	149	34	1	9	29	11	19	8	24	11	39	42	14	15
<b>Sectors Total</b>	<b>268</b>	<b>3596</b>	<b>446</b>	<b>38874</b>	<b>8753</b>	<b>2091</b>	<b>423</b>	<b>1003</b>	<b>975</b>	<b>3044</b>	<b>1317</b>	<b>4137</b>	<b>826</b>	<b>2532</b>	<b>24194</b>	<b>9505</b>	<b>30045</b>
Common Pool	5	71	11	280	63	21	7	224	34	61	27	32	38	347	131	70	202

\*The data in this table are based on preliminary fishing year 2015 sector rosters.

#Numbers are rounded to the nearest thousand lbs. In some cases, this table shows an allocation of 0, but that sector may be allocated a small amount of that stock in tens or hundreds pounds.

^ The data in the table represent the total allocations to each sector. NMFS will withhold 20 percent of a sector's total ACE at the start of the fishing year to finalize catch accounting from the previous fishing year.



**Table 3. ACE (in metric tons), by stock, for each sector for fishing year 2015.\*#^**

Sector Name	GB Cod East	GB Cod West	GOM Cod	GB Haddock East	GB Haddock West	GOM Haddock	GB YT Flounder	SNE/MA YT Flounder	CC/GOM YT Flounder	American Plaice	Witch Flounder	GB Winter Flounder	GOM Winter Flounder	SNE/MA Winter Flounder	Redfish Estimated	White Hake	Pollock
Fixed Gear Sector	34	460	5	1023	230	18	0	2	13	14	13	1	51	24	302	247	1012
MCCS	0	3	10	7	2	24	0	4	5	106	31	0	8	3	276	191	520
Maine Permit Bank	0	2	2	8	2	11	0	0	1	16	4	0	2	0	91	72	232
NCCS	0	3	2	22	5	3	2	4	3	2	1	1	4	4	48	35	70
NEFS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NEFS 2	7	96	38	1899	428	157	4	8	88	111	78	61	72	42	1625	258	1545
NEFS 3	2	21	30	26	6	89	0	2	41	57	17	0	37	10	148	206	935
NEFS 4	5	69	20	947	213	79	4	13	25	131	52	13	24	17	732	350	842
NEFS 5	1	13	0	187	42	3	3	126	2	7	4	10	0	164	8	6	14
NEFS 6	4	48	6	519	117	37	5	29	17	55	32	28	18	25	585	170	452
NEFS 7	6	78	1	819	185	5	20	23	11	50	20	244	3	67	65	36	97
NEFS 8	8	102	1	1065	240	2	22	33	29	24	16	293	12	131	61	22	83
NEFS 9	18	237	4	2060	464	46	52	44	48	116	50	748	10	240	643	180	580
NEFS 10	1	12	11	45	10	24	0	3	58	24	15	0	70	10	60	39	190
NEFS 11	1	7	28	7	2	31	0	0	12	30	13	0	9	0	219	210	1295
NEFS 13	10	132	2	2836	639	9	48	105	23	73	38	137	9	143	439	76	312
New Hampshire Permit Bank	0	0	2	0	0	0	0	0	0	0	0	0	0	0	2	4	15
Sustainable Harvest Sector 1	26	343	41	6096	1373	410	27	46	61	556	210	329	40	252	5653	2204	5428
Sustainable Harvest Sector 3	0	5	0	68	15	1	4	13	5	9	4	11	5	18	19	6	7
<b>Sectors Total</b>	<b>122</b>	<b>1631</b>	<b>202</b>	<b>17633</b>	<b>3970</b>	<b>949</b>	<b>192</b>	<b>455</b>	<b>442</b>	<b>1381</b>	<b>598</b>	<b>1876</b>	<b>375</b>	<b>1149</b>	<b>10974</b>	<b>4311</b>	<b>13628</b>
Common Pool	2	32	5	127	29	9	3	102	16	27	12	15	17	157	60	32	92

\*The data in this table are based on preliminary fishing year 2015 sector rosters.

#Numbers are rounded to the nearest metric ton, but allocations are made in pounds. In some cases, this table shows a sector allocation of 0 metric tons, but that sector may be allocated a small amount of that stock in pounds.

^ The data in the table represent the total allocations to each sector. NMFS will withhold 20 percent of a sector's total ACE at the start of the fishing year to finalize catch accounting from the previous fishing year.

## **Sector Operations Plans and Contracts**

As previously stated, we received 17 sector operations plans and contracts by the September 2, 2014, deadline for fishing years 2015 and 2016. Each sector elected to submit a single document that is both its contract and operations plan. Therefore, these submitted operations plans not only contain the rules under which each sector would fish, but also provide the legal contract that binds each member to the sector. All sectors' proposed operations plans are for two fishing years – 2015 and 2016. Each sector's operations plan, and each sector's members, must comply with the regulations governing sectors, found at § 648.87. In addition, each sector must conduct fishing activities as detailed in its approved operations plan.

Participating vessels are required to comply with all pertinent Federal fishing regulations, except as specifically exempted in the letter of authorization (LOA) issued by the Regional Administrator, which details any approved exemptions from the regulations. If, during a fishing year, or between fishing years 2015 and 2016, a sector requests an exemption that we have already granted, or proposes a change to administrative provisions, we may amend the sector operations plans. Should any amendments require modifications to LOAs, we would include these changes in updated LOAs and provide these to the appropriate sector members.

As in previous years, we retain the right to revoke exemptions in-season for the following reasons: If we determine that the exemption jeopardizes management measures, objectives, or rebuilding efforts; if the exemption results in unforeseen negative impacts on other managed fish stocks, habitat, or protected resources; if the exemption causes enforcement concerns; if catch from trips utilizing the exemption cannot adequately be monitored; or if a sector is not meeting certain administrative or operational requirements. If it becomes necessary to revoke an exemption, we will do so through a process consistent with the Administrative Procedure Act.

Each sector is required to ensure that it does not exceed its ACE during the fishing year. Sector vessels are required to retain all legal-sized allocated NE multispecies stocks, unless a sector is granted an exemption allowing its member vessels to discard legal-sized unmarketable fish at sea. Catch (defined as landings and discards) of all allocated NE multispecies stocks by a sector's vessels count against the sector's allocation. Catch from a sector trip (e.g., not fishing in a NE multispecies exempted fishery or with exempted gear) targeting dogfish, monkfish, skate, and lobster (with non-trap gear) would be deducted from the sector's ACE because these trips use gear capable of catching groundfish. This includes trips that have declared into the small mesh exemption (described below), because vessels fishing under this sector exemption, i.e., vessels fishing with both small mesh and large mesh during the same trip, are considered a sector trip for purposes of monitoring ACE. Catch from a trip in an exempted fishery does not count against a sector's allocation because the catch is assigned to a separate ACL sub-component.

For fishing years 2010 and 2011, there was no requirement for an industry-funded ASM program, and we were able to fund an ASM program with a target ASM coverage rate of 30 percent of all trips. In addition, we provided 8-percent observer coverage through the Northeast Fishery Observer Program (NEFOP), which helps to support the Standardized Bycatch Reporting Methodology (SBRM) and stock assessments. This resulted in an overall target coverage rate of 38 percent, between ASM and NEFOP, for fishing years 2010 and 2011. Beginning in fishing year 2012, we have conducted an annual analysis to determine the total coverage that would be necessary to achieve the same level of precision as attained by the 38-percent total coverage target used for fishing years 2010 and 2011. Since fishing year 2012, industry has been required to pay for their costs of ASM coverage, while we continued to fund NEFOP. However, we were

able to fund the industry's portion of ASM costs and NEFOP coverage in fishing years 2012 through 2014. Table 4 shows the annual target coverage rates.

**Table 4. Historic Target Coverage Rate for Monitoring**

Fishing Year	Total Target Coverage Rate	ASM Target Coverage Rate	NEFOP Target Coverage Rate	Funding Source
2010	38%	30%	8%	NMFS
2011	38%	30%	8%	NMFS
2012	25%	17%	8%	NMFS
2013	22%	14%	8%	NMFS
2014	26%	18%	8%	NMFS

Due to funding changes that are required by the NE Omnibus SBRM Amendment, we expect that sector vessels will be responsible for paying the at-sea portion of costs associated with the sector ASM program before the end of the 2015 fishing year. Thus, sectors will be responsible for designing, implementing, and funding an ASM program in fishing years 2015 and 2016 that will provide a level of ASM coverage specified by NMFS. Amendment 16 regulations require NMFS to specify a level of ASM coverage that is sufficient to meet the same coefficient of variation (CV) specified in the SBRM and accurately monitor sector operations. Framework 48 clarified the level of ASM coverage necessary to meet these goals. Framework 48 determined that the CV level should be achieved at the overall stock level, which is consistent with the level NMFS determined was necessary in fishing year 2013. Framework 48 also amended the goals of the sector monitoring program to include achieving an accuracy level sufficient to minimize effects of potential monitoring bias.

Taking the provisions of Framework 48 into account, and interpreting the ASM monitoring provision in the context of Magnuson-Stevens Act requirements and National Standards, we have determined that the appropriate level of ASM coverage should be set at the level that meets the CV requirement specified in the SBRM and minimizes the cost burden to

sectors and NMFS to the extent practicable, while still providing a reliable estimate of overall catch by sectors needed for monitoring ACEs and ACLs. Based on this standard, NMFS has determined that the total appropriate target coverage rate for fishing year 2015 is 24 percent. We expect ASM coverage to be 20 percent and NEFOP coverage to be 4 percent (based on the Omnibus SBRM, as proposed), covering a total of 24 percent of all sector trips, with the exception of trips using a few specific exemptions, as described later in this rule. We will use discards derived from these observed and monitored trips to calculate discards for unobserved sector trips. We have published a more detailed summary of the supporting information, explanation and justification for this decision at:

[http://www.greateratlantic.fisheries.noaa.gov/ro/fso/reports/Sectors/ASM/FY2015\\_Multispecies\\_Sector\\_ASM\\_Requirements\\_Summary.pdf](http://www.greateratlantic.fisheries.noaa.gov/ro/fso/reports/Sectors/ASM/FY2015_Multispecies_Sector_ASM_Requirements_Summary.pdf).

The draft operations plans submitted in September 2014 included industry-funded ASM plans to be used for fishing year 2015. We gave sectors the option to design their own programs in compliance with regulations, or elect to adopt the program that we have used in previous fishing years. Four sectors chose to adopt the program we used in previous years. We approved the sector-proposed program for the remaining 12 sectors. ASM programs proposed by the sectors are described in detail later in this final rule.

We are currently looking at how industry funding of its costs for the ASM program will affect our data collection systems, especially the pre-trip notification system (PTNS), and have begun working on an implementation plan to help ensure a seamless transition when the industry assumes responsibility for at-sea costs in 2015. To ensure that the ASM programs continue to provide sufficient coverage, the Regional Administrator is authorized to adjust operational standards such as vessel selection protocols as needed, consistent with the Administrative

Procedure Act. We will continue to keep the sector managers informed about any changes or updates to coverage data collection and notification requirements.

Our ability to fund our portion of costs for ASM coverage above SBRM coverage levels for the entire 2015 and 2016 fishing years is still not known at this time due to budget uncertainties. Currently, funding for our portion of ASM costs is expected to expire before the end of the 2015 fishing year. If we have insufficient funding available for our portion of coverage costs beyond that time, we may need to consider other measures, including emergency action, to allow sectors to continue fishing while still ensuring that we can adequately monitor sector catch for management purposes.

Each sector contract details the method for initial ACE sub-allocation to sector members. For fishing years 2015 and 2016, each sector has proposed that each sector member could harvest an amount of fish equal to the amount each individual member's permit contributed to the sector, as modified by the sector for reserves or other management choices. Each sector operations plan submitted for fishing years 2015 and 2016 states that the sector would withhold an initial reserve from the sector's ACE sub-allocation to each individual member to prevent the sector from exceeding its ACE. A sector and sector members can be held jointly and severally liable for ACE overages, discarding legal-sized fish, and/or misreporting catch (landings or discards). Each sector contract provides procedures to enforce the sector operations plan, explains sector monitoring and reporting requirements, presents a schedule of penalties for sector plan violations, and provides sector managers with the authority to issue stop fishing orders to sector members who violate provisions of the operations plan and contract.

Sectors are required to monitor their allocations and catch. To help ensure a sector does not exceed its ACE, each sector operations plan explains sector monitoring and reporting

requirements, including a requirement to submit weekly catch reports to us. If a sector reaches an ACE threshold (specified in the operations plan), the sector must provide us with sector allocation usage reports on a daily basis. Once a sector's allocation for a particular stock is caught, that sector is required to cease all sector fishing operations in that stock area until it acquires more ACE, unless that sector has an approved plan to fish without ACE for that stock. ACE may be transferred between sectors, but transfers to or from common pool vessels is prohibited. Within 60 days of when we complete year-end catch accounting, each sector is required to submit an annual report detailing the sector's catch (landings and discards), enforcement actions, and pertinent information necessary to evaluate the biological, economic, and social impacts of each sector.

### **Granted Exemptions For Fishing Years 2015 and 2016**

#### *Previously Granted Exemptions Granted for Fishing Years 2015 and 2016 (1-16)*

We granted exemptions from the following requirements for fishing years 2015 and 2016, all of which have been previously requested and granted: (1) 120-day block out of the fishery required for Day gillnet vessels; (2) 20-day spawning block out of the fishery required for all vessels; (3) prohibition on a vessel hauling another vessel's gillnet gear; (4) limits on the number of gillnets that may be hauled on GB when fishing under a NE multispecies/monkfish DAS; (5) limits on the number of hooks that may be fished; (6) DAS Leasing Program length and horsepower restrictions; (7) prohibition on discarding; (8) daily catch reporting by sector managers for sector vessels participating in the Closed Area (CA) I Hook Gear Haddock Special Access Program (SAP); (9) prohibition on fishing inside and outside of the CA I Hook Gear Haddock SAP while on the same trip; (10) prohibition on a vessel hauling another vessel's hook gear; (11) the requirement to declare an intent to fish in the Eastern U.S./Canada SAP and the

CA II Yellowtail Flounder/Haddock SAP prior to leaving the dock; (12) gear requirements in the Eastern U.S./Canada Management Area; (13) seasonal restrictions for the Eastern U.S./Canada Haddock SAP; (14) seasonal restrictions for the CA II Yellowtail Flounder/Haddock SAP; (15) sampling exemption; and (16) prohibition on groundfish trips in the Nantucket Lightship Closed Area. A detailed description of the previously granted exemptions and supporting rationale can be found in the applicable final rules identified in Table 5 below.

**Table 5. Exemptions from Previous Fishing Years that Are Granted in Fishing Years 2015 and 2016**

Exemptions	Rulemaking	Date of Initial Approval	Citation
1-8, 12	Fishing Year 2011 Sector Operations Final Rule	April 25, 2011	76 FR 23076
9-11	Fishing Year 2012 Sector Operations Final Rule	May 2, 2012	77 FR 26129
13-15	Fishing Year 2013 Sector Operations Interim Final Rule	May 2, 2013	78 FR 25591
16	Fishing Year 2014 Sector Operations Final Rule	April 28, 2014	79 FR 23278
NE Multispecies <u>Federal Register</u> documents can be found at <a href="http://www.greateratlantic.fisheries.noaa.gov/sustainable/species/multispecies/">http://www.greateratlantic.fisheries.noaa.gov/sustainable/species/multispecies/</a>			

*Exemptions of Concern That Are Granted for Fishing Years 2015 and 2016 (17-19)*

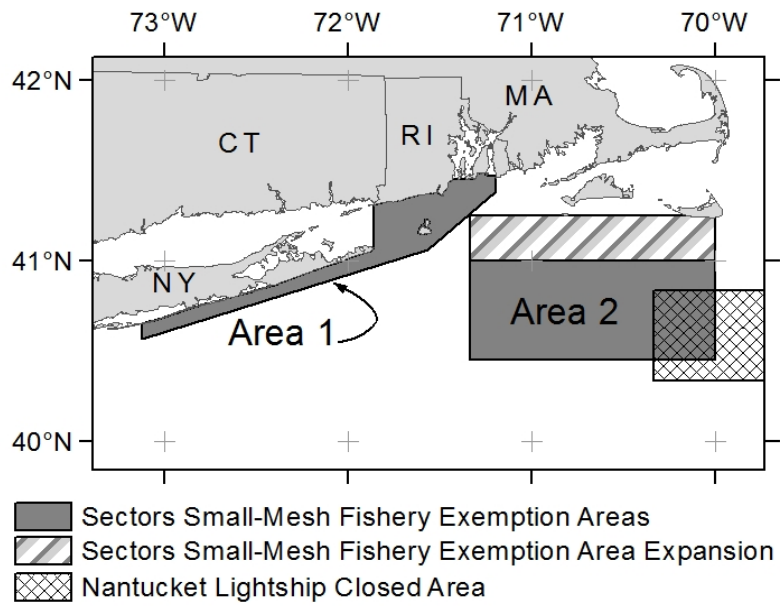
(17) Prohibition on Combining Small-Mesh Exempted Fishery and Sector Trips

For fishing year 2014, sectors requested and we granted an exemption that would allow vessels to possess and use small-mesh and large-mesh trawl gear on a single trip, within portions of the SNE regulated mesh areas (RMA). Sectors proposed allowing vessels using this exemption to fish with smaller mesh in two discrete areas that have been shown to have minimal amounts of regulated species and ocean pout. See the 2014 Sector Operations Plans Final Rule (79 FR 23278; April 28, 2014) for a complete description of the previously granted exemption.

For fishing years 2015 and 2016, sectors requested a similar exemption, but with a revised northern border of the eastern Small-Mesh Exemption Area 2, shifted 15 minutes north. This expansion will allow for greater opportunities for sector vessels to target small-mesh species. The coordinates and maps for these two areas are show in Figure 1.



**Figure 1 – Sectors Small-Mesh Exemption Areas 1 and 2, as modified**



Sector Small-Mesh Fishery Exemption Area 1 is bounded by the following coordinates connected in the order listed by straight lines, except where otherwise noted:

Point	N. Latitude	W. Longitude	Note
A	40°39.2'	73°07.0'	
B	40°34.0'	73°07.0'	
C	41°03.5'	71°34.0'	
D	41°23.0'	71°11.5'	
E	41°27.6'	71°11.5'	(1)
F	41°18.3'	71°51.5'	
G	41°04.3'	71°51.5'	(2)
A	40°39.2'	73°07.0'	

(1) From POINT E to POINT F along the southernmost coastline of Rhode Island and crossing all bays and inlets following the COLREGS Demarcation Lines defined in 33 CFR part 80.

(2) From POINT G back to POINT A along the southernmost coastline of Long Island, NY, and crossing all bays and inlets following the COLREGS Demarcation Lines defined in 33 CFR part 80.

For fishing years 2015 and 2016, Sector Small-Mesh Fishery Exemption Area 2 is bound by the following coordinates connected in the order listed by straight lines. Sector vessels cannot fish the small-mesh portion of their trip using this exemption in the Nantucket Lighship Closed Area where the two areas overlap.

Point	N. Latitude	W. Longitude
H	41°15.0'N	71°20.0'W
I	41°15.0'N	70°00.0'W
J	40°27.0'N	70°00.0'W
K	40°27.0'N	71°20.0'W
H	41°15.0'N	71°20.0'W

As was granted in fishing year 2014, one of three trawl gear modifications is required when using small mesh: Drop-chain sweep with a minimum of 12 inches (30.48 cm) in length; a large-mesh belly panel with a minimum of 32-inch (81.28-cm) mesh size; or an excluder grate secured forward of the codend with an outlet hole forward of the grate with bar spacing of no

more than 1.97 inches (5.00 cm) wide. These gear modifications, when fished properly, have been shown to reduce the catch of legal and sub-legal groundfish stocks. Requiring these modifications is intended to also reduce the incentive for a sector vessel to target groundfish with small mesh.

A vessel using this exemption is required to meet the same NEFOP and ASM coverage as standard groundfish trips (i.e., a total of 24 percent in fishing year 2015). To facilitate proper coverage levels and assist with enforcement, the vessel is required to declare their intent to use small mesh to target non-regulated species by submitting a trip start hail through its vessel monitoring system (VMS) unit prior to departure. Trips declaring this exemption must stow their small-mesh gear and use their large-mesh gear first, and once finished with the large mesh, must submit a Multispecies Catch Report via VMS of all catch on board at that time. Once the Catch Report is sent, the vessel can then deploy small mesh with the required modifications in the specific areas (see map above), outside of the Nantucket Lightship Closed Area, at which point, the large mesh cannot be redeployed. Any legal-sized allocated groundfish stocks caught during these small-mesh hauls must be landed and the associated landed weight (dealer or vessel trip report (VTR)) will be deducted from the sector's ACE.

We received two comments in support of granting this exemption as proposed, including the modification to the Sector Small-Mesh Fishery Exemption Area 2 (see map). One commenter indicated that the provisions (e.g. trip start hails, gear stowage requirements, catch report submission, and gear modifications) allow for a higher level of enforceability.

As in fishing year 2014, we are concerned about vessels potentially catching groundfish, including bycatch of juvenile fish, in the requested exemption area with small-mesh nets. The expansion of the Small-Mesh Exemption Area 2 by 15 minutes north could increase this

potential, because more groundfish are found in the expansion area. The three gear modifications proposed for this exemption could mitigate catch of regulated species when properly installed, but none have been shown to completely eliminate the catch of regulated species.

Based on the comments received, we have granted this exemption as proposed for fishing years 2015 and 2016. We will be reviewing data from 2014 and plan to closely monitor the catch from these exempted trips. If it is determined that this exemption is having a negative impact on groundfish stocks, we would consider revoking this exemption during the fishing year.

#### (18) Limits on the Number of Gillnets on Day Gillnet Vessels

The FMP limits the number of gillnets a Day gillnet vessel may fish in the groundfish RMAs to prevent an uncontrolled increase in the number of nets being fished, thus undermining applicable DAS effort controls. The limits are specific to the type of gillnet within each RMA: 100 gillnets (of which no more than 50 can be roundfish gillnets) in the GOM RMA (§ 648.80(a)(3)(iv)); 50 gillnets in the GB RMA (§ 648.80(a)(4)(iv)); and 75 gillnets in the Mid-Atlantic (MA) RMA (§ 648.80(b)(2)(iv)). We previously granted this exemption in fishing years 2010, 2011, and 2012 to allow sector vessels to fish up to 150 nets (any combination of flatfish or roundfish nets) in any RMA to provide greater operational flexibility to sector vessels in deploying gillnet gear. Sectors argued that the gillnet limits were designed to control fishing effort and are no longer necessary because a sector's ACE limits overall fishing mortality.

Previous effort analysis of all sector vessels using gillnet gear indicated an increase in gear used in the RMA which could lead to an increase in interactions with protected species. While a sector's ACE is designed to limit a stock's fishing mortality, fishing effort may affect other species. This increased effort could ultimately lead to a rise in interactions with protected

species; however, we have not identified trends indicating this. Additionally, a take reduction plan has been implemented to reduce bycatch in the fisheries affecting these species, and there is continual monitoring of protected species bycatch.

For fishing year 2013, based on the comments received and the concern for spawning GOM cod, we restricted the use of this exemption to better protect spawning cod. Therefore, a vessel fishing in the GOM RMA was able to use this exemption seasonally, but was restricted to the 100-net gillnet limit in blocks 124 and 125 in May, and in blocks 132 and 133 in June. A vessel fishing in the GB RMA, SNE RMA, MA RMA, and the GOM outside of these times and areas did not have this additional restriction. We granted this exemption with the same GOM seasonal restrictions for fishing year 2014.

The November 2014 interim action implemented to protect GOM cod (79 FR 67362; November 13, 2014) revoked this exemption for all of the GOM for the remainder of fishing year 2014, given concerns relating to mortality of GOM cod caused by continuous fishing by gillnets left in the water and the potential to disrupt spawning when cod are caught.

For fishing years 2015 and 2016, we proposed to grant the exemption for fishing years 2015 and 2016 when fishing in all RMAs except the GOM, and to deny the exemption for the GOM. Therefore, vessels fishing in the GOM under the Day boat gillnet category would be restricted to no more than 100 nets, only 50 of which may be roundfish nets.

We received three comments on to this exemption. Oceana was supportive of the proposal to deny the exemption in the GOM RMA, but urged us to also deny the exemption in other RMAs, to protect GB cod. Conversely, two sector-related groups disagreed with our proposal to deny the exemption for the GOM, but supported the proposal to grant it in the other RMAs. They referenced the fishing mortality limits already placed on sectors by ACLs and the

sector's resulting allocations, and stated that with such a low GOM cod ACL, Day gillnet vessels will already be strategizing to avoid catching cod, and therefore don't need further limits on the amount of gear they can use.

While the low ACLs for GOM cod will help reduce the fishing pressure on GOM cod, we feel it is important to maintain the FMP's limit on the amount of gillnet gear in the GOM that may catch GOM cod, in part because of the low sub-ACL set for GOM cod. Also, we are particularly concerned with the potential interactions with spawning GOM cod and the potential for long-term detrimental effects if spawning aggregations are disrupted. Sectors have the flexibility to declare into the Trip boat gillnet category, which have no limits on the number of nets allowed in the GOM but are not allowed to leave gear unattended. At the current time, we do not think it is necessary to deny this exemption outside of the GOM RMA. For a full description of the comments and further discussion of these issues, please see the Comments and Responses Section below.

Based on the comments received and the concern for spawning cod, we are partially granting and denying this sector exemption request for fishing years 2015 and 2016, as we proposed in the proposed rule. Day gillnet vessels will be restricted to a 150-gillnet limit in the GB, SNE, and MA RMAs; in GOM RMA, the vessel will be restricted to a 100-gillnet limit (of which no more than 50 can be roundfish gillnets).

(19) Regulated Mesh Size 6.5 inch (16.5 cm) or Greater, for Directed Redfish Trips

Minimum mesh size restrictions (§ 648.80(a)(3)(i), (a)(4)(i), (b)(2)(i), and (c)(2)(i)) were implemented under previous groundfish actions to reduce overall mortality on groundfish stocks, change the selection pattern of the fishery to target larger fish, improve survival of sublegal fish, and allow sublegal fish more opportunity to spawn before entering the fishery. Beginning in

fishing year 2012, we have granted exemptions that allow sector vessels to target redfish, the smallest species of regulated groundfish, with a sub-legal size mesh codend, ranging from 4.5 inches (11.4 cm) to 6 inches (15.2 cm) (see Table 6). In order to use these previous exemptions, sectors have been required to meet an 80-percent threshold of redfish catch, relative to groundfish catch, and a 5-percent discard threshold of total groundfish, including redfish. These thresholds were intended to ensure that a vessel using the exemption effectively targets redfish and does not target other species with a smaller mesh, and attempts to avoid catching sub-legal groundfish. The thresholds were based on Component 2 of the REDNET report (Kanwit et al. 2013), which used a 4.5-inch mesh codend, and observer data for trips conducted in fishing year 2012. REDNET is a group that includes the Maine Department of Marine Resources, the Massachusetts Division of Marine Fisheries, and the University of Massachusetts School for Marine Science and Technology, who joined with other members of the scientific community and the industry to develop a research plan to develop a sustainable, directed, redfish trawl fishery in the GOM. Each year, we have changed the exemption at the sectors' request in an attempt to balance the goal of increasing use of the exemption, and therefore facilitate access to this healthy stock, while preventing misuse and ensuring it is consistent with the FMP's goals and objectives.

**Table 6. Redfish Exemptions by Fishing Year**

<b>Exemptions</b>	<b>Rulemaking</b>	<b>Date</b>	<b>Citation</b>
6.0 inch (15.2 cm) with 100% NMFS-funded coverage	FY 2012 Sector Operations Final Rule	May 2, 2012	77 FR 26129
4.5 inch (11.4 cm) with 100% NMFS-funded coverage	FY 2012 Redfish Exemption Final Rule	March 5, 2013	78 FR 14226
4.5 inch (11.4 cm) with 100% Industry-funded coverage	FY 2013 Sector Operations Interim Final Rule	May 2, 2013	78 FR 25591
6.0 inch (15.2 cm) with standard observer coverage	FY 2014 Sector Operations Final Rule	April 28, 2014	79 FR 23278
NE Multispecies <a href="http://www.greateratlantic.fisheries.noaa.gov/sustainable/species/multispecies">Federal Register</a> documents can be found at <a href="http://www.greateratlantic.fisheries.noaa.gov/sustainable/species/multispecies">http://www.greateratlantic.fisheries.noaa.gov/sustainable/species/multispecies</a>			

For fishing years 2012 and 2013, the exemption required 100-percent monitoring with either an ASM or observer on every trip, primarily because of concerns over a greater retention of sub-legal groundfish, as well as non-allocated species and bycatch. In fishing year 2012, we found that allowing trips that are randomly selected for federally funded NEFOP or ASM coverage provided an incentive to take an exemption trip when selected for coverage, thereby reducing the number of observers/monitors available to cover standard sector trips (i.e., trips not utilizing this exemption). If fewer observers/monitors deploy on standard sector trips, then the exemption undermines our ability to meet required coverage levels and increases the uncertainty of discard rates calculated for unobserved standard sector trips. Therefore, in fishing year 2013, we required sectors to pay for 100 percent of the at-sea cost for a monitor on all redfish exemption trips, which resulted in sectors not taking a redfish trip that fishing year.

For fishing year 2014, we granted an exemption that allowed vessels to use a 6-inch (15.2-cm) or larger mesh codend to target redfish when fishing in the Redfish Exemption Area. The vessels participating in the redfish fishery in fishing year 2014 were subject to the same NEFOP and ASM target coverage as standard groundfish trips (26 percent). Vessels could fish with the regulated mesh nets (6.5-inch (16.5-cm) codends or larger) and with the 6.0-inch (15.2-cm) mesh codends on the same trip; however, for all trips (by sector, by month) declaring this exemption, we monitored landings for the entire trip to determine if the vessel had met the 80-percent redfish catch threshold and the 5-percent discard threshold.

Following our granting of the exemption in fishing year 2014, sectors indicated that an 80-percent redfish catch threshold, based on REDNET data collected using a 4.5-inch (11.4-cm) mesh codend, is not appropriate for all mesh sizes (i.e., as mesh size increases, the efficiency of catching redfish decreases). Additionally, given the average landed value of redfish, they



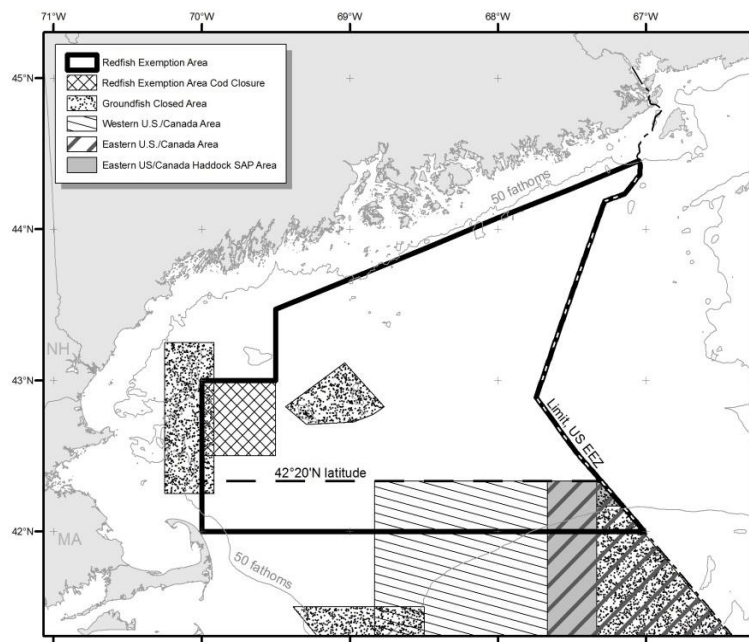
indicated that they do not consider it economically viable to have an offload comprised of 80 percent redfish. Therefore, as of January 2015, few trips have been taken under this exemption, because, according to sectors, they cannot effectively or profitably target redfish to meet the 80-percent threshold.

For fishing years 2015 and 2016, we proposed granting the sectors' request to use a 5.5-inch (14.0-cm) mesh codend when fishing in the redfish exemption, along with other changes from the previous years' exemption that provide operational flexibility while also seeking to ensure consistency with the FMP's mortality, selectivity, and spawning protection objectives. A vessel would have the option to fish the first portion of a trip with current legal codend mesh size (6.5 inches; 16.5 cm), and then switch to a codend no smaller than 5.5 inches (14.0 cm) for the redfish portion of their trip. Allowing sectors to legally target groundfish on the first portion of the trip would provide flexibility and would address the sector's concern regarding profitability. In addition, the sectors requested a 50-percent catch threshold, which would only apply to the second half of the trip. The sectors argue that this threshold is more appropriate for a 5.5-inch (14.0-cm) codend, as data from Component 3 of the REDNET report (Pol and He 2013) indicates that as the codend mesh size increases from 4.5 inches (11.4 cm) to 5.5 inches (14.0 cm), selectivity decreases, making it more difficult for vessels to catch only redfish. However, the lower 50-percent threshold would allow greater catch of other regulated groundfish species with small mesh, which could result in higher discards or targeting of groundfish with small mesh. We are proposing to address this in part by implementing reporting requirements to facilitate monitoring and increased coordination with enforcement. If we detect vessels targeting non-redfish stocks, particularly stocks of concern, the RA retains the right to rescind the

exemption. The 5-percent discard threshold for all groundfish, including redfish, would still apply on the redfish portion of observed trips.

Another way of addressing our concern for incidental catch and bycatch of groundfish, and in particular due to our concern for GOM cod, we proposed to grant a modified redfish exemption area from 2014 (see Figure 2).

**Figure 2. 2015 and 2016 Redfish Exemption Area**



The Redfish Exemption Area would be bounded on the east by the U.S.-Canada Maritime Boundary, and bounded on the north, west, and south by the following coordinates, connected in the order listed by straight lines:

Point	N. Lat.	W. Long.	Note
A	44°27.25'	67°02.75'	
B	44°16.25'	67°30.00'	
C	44°04.50'	68°00.00'	
D	43°52.25'	68°30.00'	
E	43°40.25'	69°00.00'	
F	43°28.25'	69°30.00'	
G	43°00.00'	69°30.00'	
H	43°00.00'	70°00.00'	
I	42°00.00'	70°00.00'	
J	42°00.00'	(67°00.63')	(1)

<sup>1</sup>The intersection of 42°00' N. latitude and the U.S.-Canada Maritime Boundary, approximate longitude in parentheses.

We worked with the sectors and modified the redfish exemption area to exclude block 138 for the entire fishing year, and allow only seasonal access to block 131. Sector vessels would not be allowed to use the redfish exemption in block 131 in February and March. We based this decision on the closures implemented by the November 2014 interim action taken for the protection of cod; areas 138 and 131 were the only areas closed by the interim action that overlapped with the fishing year 2014 redfish exemption area. These areas are known to have higher levels of GOM cod catch and/or spawning activity, and we proposed to close them to avoid interaction with and bycatch of GOM cod. Additionally, area 138 has historically had very little redfish catch; therefore, the exclusion of this area should not limit sectors from targeting redfish. The area is bounded on the east, north, west, and south by the following coordinates, connected by straight lines in the order listed:

Point	N. Lat.	W. Long.
G	43°00.00'	69°30.00'
H	43°00.00'	70°00.00'
K	42°30.00'	70°00.00'
L	42°30.00'	69°30.00'
G	43°00.00'	69°30.00'

Vessels must declare their trip in the PTNS under standard requirements, but there are no additional monitoring requirements above the target coverage for the groundfish fishery. Prior to leaving the dock, any vessel that intends to use the redfish exemption on a trip must declare so through the VMS trip start hail by checking the box next to “Redfish Trip” under sector exemptions. This notification must be made if the vessel intends to use a 5.5-inch (14.0-cm) codend or larger to target redfish on any portion of the trip.

Any vessel declaring this exemption must submit catch reports via VMS each day for the entire trip. For the first portion of the trip, a vessel may fish using a 6.0-inch (15.2-cm) mesh codend with selective gear in the GB BSA (current mesh flexibility allowed from Council exemption est. in 2010) or 6.5-inch (16.5-cm) mesh codend in any BSA, including the GOM. Any sub-legal codend must be stowed below deck for this entire portion of the trip. Catch thresholds do not apply to this portion of the trip.

When a vessel switches its codend to target redfish, it must first transit to the Redfish Exemption Area. Once the vessel is in the Redfish Exemption Area, it must declare via VMS that it is switching to the 5.5-inch (14.0-cm) mesh codend (or larger) and will be conducting the remainder of its fishing activity exclusively in the Redfish Exemption Area. The vessel can then retrieve the 5.5-inch (14.0-cm) mesh codend from below deck and begin using it. All fishing activity for the remainder of the trip must occur in the Redfish Exemption area. For this portion of the trip, at least 50 percent of the total allocated groundfish kept must be redfish, and on observed trips, no more than 5 percent of all groundfish, including redfish, may be discarded.

The vessel must also submit a final catch report and a Trip End Hail via VMS at the end of the trip to facilitate dockside enforcement. We will use these thresholds and catch data or other information to determine if this sector exemption should be revoked.

There are enforcement concerns associated with the additional flexibility this exemption provides. Specifically, enforcing different mesh size restrictions on different portions of a single fishing trip could be challenging at sea. We are concerned about the potential for vessels to misreport the mesh size used when other groundfish are caught on the redfish portion of the trip. Misreporting could help a vessel avoid falling below the required threshold.

Additionally, we remain concerned about vessels catching groundfish, including their bycatch of juvenile fish and incidental catch or bycatch of GOM cod, which could potentially cause them to exceed the discard threshold of 5 percent, in the Redfish Exemption Area when fishing with codend mesh sized nets smaller than the GOM regulated mesh size of 6.5 inches (16.5 cm). The 50-percent catch threshold is meant to reflect the likely proportion of redfish catch while using a 5.5-inch (14.0-cm) mesh codend, based on the results of Component 3 of REDNET. When determining the threshold, we also considered trips from a portion of the 2012 fishing year, when vessels were allowed to use as small as a 4.5-inch mesh codend. Based on this data and our analysis of use of the exemption, sector needs, and the FMP's goals and objectives, we have set a threshold to provide an incentive to target redfish while balancing the incidental catch of other allocated stocks in a mixed species fishery.

We remain concerned, however, that the exemption could allow sectors to target groundfish when fishing with a smaller codend or increase discards that would likely go unreported, which could undermine the protections of the 5-percent bycatch threshold. Because of these concerns, we intend to monitor use of the exemption closely. We intend to watch

whether vessels are using the exemption when assigned an observer or ASM, or only using it when unobserved, which would affect our ability to monitor the exemption. Additionally, if a vessel does not submit daily catch reports or the required declaration when switching to the redfish portion of the trip, we may not be able to adequately monitor the exemption. If issues such as these arise, or if monitoring reveals that trips are having higher than expected catch of other groundfish, we may notify sectors so that they can work with their vessels to change fishing behavior or comply with the exemption requirements. However, as previously stated, the RA retains authority to rescind of this exemption, if it is needed.

We received four comments related to the redfish exemption, all of which were supportive of the exemption as it was described in the proposed rule. One industry member commented that a 5.5-inch (14.0-cm) codend is the appropriate mesh size to target redfish, and that the exemption will redirect effort away from GOM cod and onto redfish, because the redfish exemption area lies offshore, where there has been lower catch of GOM cod. One sector-related group commented in support of the proposed catch thresholds, stating that they adequately reflected the catch composition when using a 5.5-inch (14.0-cm) codend. This group also supported modifications intended to minimize interactions with GOM cod. An industry group supported strict monitoring of the exemption. We have provided a more detailed response to these comments in the Comments and Responses Section below.

In previous years, we have granted versions of the redfish exemption that were more restrictive. This was to ensure that sector vessels were effectively targeting only redfish. However, during the development of the fishing years 2015 and 2016 exemption, we heard that these requirements were too onerous and have discouraged use of the exemption. For fishing years 2015 and 2016, we are granting the exemption with modifications as we proposed. We are

seeking to strike a balance between allowing access to an underutilized, healthy stock and meeting objectives to prevent overfishing. As previously discussed, we intend to monitor this exemption, and retain the authority to rescind the exemption if thresholds are not being met.

### **Denied Fishing Years 2015 and 2016 Exemptions Requests**

In addition to the 19 exemptions granted in this final rule, we are denying three other exemption requests for fishing years 2015 and 2016. The GOM haddock sink gillnet exemption was previously rejected, continues to be of concern, and no new information has been submitted that justifies granting it. Regarding the VMS powerdown exemption, sectors demonstrated a lack of compliance in previous years. The requested 2014 fishing year version of the redfish exemption was too similar to the 2015 and 2016 fishing year redfish exemption that is granted by this rule. Based on this, we are denying these exemptions in this final rule.

### **Exemption That May Be Considered in a Separate Action**

#### *Prohibition on Groundfish Trips in Closed Areas (CA) I and II*

In fishing year 2013, we denied an exemption that would have allowed sector vessels restricted access to portions of CAs I and II, provided each trip carried an industry-funded ASM. When we proposed allowing sector access to these areas, we announced that we did not have funding to pay for monitoring the additional trips for exemptions requiring a 100-percent coverage level. Industry members indicated that it was too expensive to participate in the exemption given the requirement to pay for a monitor on every trip. This, in combination with extensive comments opposing access to these areas to protect depleted stocks and our concern about the impacts on depleted stocks such as GB cod and GB yellowtail flounder, resulted in disapproval. For a detailed description of the exemption request and justifications for disapproval, see the final rule (78 FR 41772, December 16, 2013).



For fishing year 2014, we remained unable to fund monitoring costs for exemptions requiring a 100-percent coverage level. In addition, we had some concerns about funding and administering the shore-side portion of any monitoring program for an exemption that requires additional ASM, such as the exemption to access CAs I and II. However, we authorized two EFPs to gather catch data from CAs I and II, one in coordination with the Northeast Fisheries Science Center, the other with members of the industry. Results from these EFPs could better inform us, the industry, and the public, regarding the economic efficacy of accessing these CAs, while providing information specific to bycatch of depleted stocks. Trips taken under these EFPs are attempting to address the following questions: 1) Could enough fish be caught to adequately offset the industry's additional expense of having an ASM on board, and 2) could catch of groundfish stocks of concern be addressed?

The two authorized EFPs have allowed access to participating vessels into the same portions of CAs I and II that were originally proposed for access to sectors. Vessels using the EFPs are required to use specialized trawl gear to reduce impacts on flounder species, are restricted seasonally to avoid spawning fish, and must adhere to an agreement between the lobster and groundfish fishery in CA II to avoid gear conflicts. One of the two approved EFPs is still ongoing. Upon review of the EFP results, we will consider potential access to these areas through a separate action.

### **Additional Sector Operations Plan Provisions**

#### *Inshore GOM Restrictions*

Several sectors have proposed an operations plan provision to limit and more accurately document a vessel's behavior when fishing in what they consider the inshore portion of the

GOM BSA, or the area to the west of 70° 15' W. long. We approve this provision, but note that a sector may elect to remove this provision in the final version of its operations plan.

Under this provision, a vessel that is carrying an observer or at-sea monitor would remain free to fish in all areas, including the inshore GOM area, without restriction. If a vessel is not carrying an observer or at-sea monitor and fishes any part of its trip in the GOM west of 70° 15' W. long., the vessel would be prohibited from fishing outside of the GOM BSA. Also, if a vessel is not carrying an observer or at-sea monitor and fishes any part of its trip outside the GOM BSA, this provision would prohibit a vessel from fishing west of 70° 15' W. long. within the GOM BSA. The approved provision includes a requirement for a vessel to declare whether it intends to fish in the inshore GOM area through the trip start hail using its VMS unit prior to departure. We provide sector managers with the ability to monitor this provision through the Sector Information Management Module (SIMM), a website where we also provide roster, trip, discard, and observer information to sector managers. A sector vessel may use a federally funded NEFOP observer or at-sea monitor on these trips because we do not believe it will create bias in coverage or discard estimates, as fishing behavior is not expected to change as a result of this provision.

#### *Prohibition on a Vessel Hauling Another Vessel's Trap Gear to Target Groundfish*

Several sectors have requested a provision to allow a vessel to haul another vessel's fish trap gear, similar to the current exemptions that allow a vessel to haul another vessel's gillnet gear or hook gear. These exemptions have generally been referred to as "community" gear exemptions. Regulations at § 648.84(a) require a vessel to mark all bottom-tending fixed gear, which would include fish trap gear used to target groundfish. To facilitate enforcement of that regulation, we are requiring that any community fish trap gear be tagged by each vessel that

plans on hauling the gear, similar to how this provision was implemented in fishing year 2014. This allows one vessel to deploy the trap gear and another vessel to haul the trap gear, provided both vessels tag the gear prior to deployment. This requirement will be captured in the sector's operations plan to provide the opportunity for the sector to monitor the use of this provision and ensure that the Office of Law Enforcement (OLE) and the U.S. Coast Guard can enforce the provision.

### **At-Sea Monitoring Proposals**

For fishing years 2015 and 2016, each sector is required to develop and fund an ASM program that must be reviewed and approved by NMFS. In the event that a proposed ASM program could not be approved, all sectors were asked to include an option to use the current NMFS-designed ASM program as a back-up. Sustainable Harvest Sectors 1 and 3, GB Cod Fixed Gear Sector, Northeast Coastal Communities Sector, and Maine Coast Community Sector have proposed to use the ASM program that was developed and used for fishing years 2010-2014. We approve this program for these sectors because we believe the existing program to be consistent with goals and objectives of monitoring, and with regulatory requirements. NEFS IV has not included provisions for an ASM program because the sector operates as a private permit bank and explicitly prohibits fishing.

We approve the ASM programs proposed by the remaining 12 sectors, NEFS I-XIII (excluding NEFS IV). These programs state that they will: Contract with a NMFS-approved ASM provider; meet the specified coverage level; and utilize the PTNS for random selection of monitored trips and notification to providers. In addition, these ASM programs include detailed protocols for waivers, incident reporting, and safety requirements. We have determined that the

programs are consistent with the goals and objectives of at-sea monitoring, and with the regulatory requirements.

Although the current regulations require a sector to fund its costs for its ASM program beginning in fishing year 2012, we funded industry's ASM costs in fishing years 2013 and 2014. Because of SBRM funding requirements and budgetary uncertainty, it is unclear if the Agency will have money to fund industry's ASM costs for the entire fishing year 2015, but at this point, we anticipate industry taking on the responsibility for their at-sea monitoring costs during fishing year 2015. As mentioned previously, our ability to fund our portion of costs for ASM coverage above SBRM coverage levels for the entire 2015 and 2016 fishing years is also not known at this time. Currently, funding for our portion of ASM costs is expected to expire before the end of the 2015 fishing year. If we have insufficient funding available for our portion of coverage costs beyond that time, we may need to consider other measures, including emergency action, to allow sectors to continue fishing while still ensuring that we can adequately monitor sector catch for management purposes. Additional information on funding and implementation of ASM for fishing year 2015 will be provided as it becomes available.

### **Comments and Responses**

We received a total of nine comments from: Associated Fisheries of Maine (AFM), Center for Biological Diversity, NEFS V, NEFS XI, Northeast Sector Service Network (NESSN), Oceana, SHS, and two members of the fishing industry. We received five comments from members of the fishing industry that were not relevant to the sector operations plans or exemptions. Only comments that were applicable to the proposed measures, including the analyses used to support these measures, are responded to below.

*Re-Authorization of Sector Exemptions Previously Granted (1-16)*

*Comment 1:* AFM and NESSN support the approval of exemptions as proposed. NEFS V and NEFS XI specifically support the exemptions from the 120-day block and the 20-day spawning block requirements, and NEFS V asserts that these exemptions should apply to the entire groundfish fishery. NEFS XI supports the exemption from the prohibition on a vessel hauling another vessel's gillnet gear.

*Response:* We have granted the 16 exemptions as proposed.

*Comment 2:* NESSN commented on our noted concern about the five proposed exemptions that apply in the GOM and their effect on GOM cod, stating that none of these exemptions are proposed solely for the GOM, and that it is unclear what the Agency would hope to accomplish by revoking them.

*Response:* These five exemptions apply to or could be used in the GOM. Because GOM cod is at very low levels, we asked the public to comment if there was any information that might suggest these exemptions could negatively affect GOM cod. We received no comments with information suggesting that, and therefore we are granting these exemptions for fishing years 2015 and 2016.

*Exemption from the Prohibition on Combining Small Mesh Exempted Fishing with a Sector Trip (17)*

*Comment 3:* NESSN and NEFS V support NMFS' proposal to grant this exemption as modified from fishing year 2014, specifically expanding the exemption area 15' northward.

*Response:* We have granted this exemption as proposed. As noted in the preamble, this expansion will allow for greater opportunities for sector vessels to target small-mesh species. However, we remain concerned about vessels potentially catching groundfish, including bycatch

of juvenile fish, in the requested exemption area with small-mesh nets, and therefore will continue to closely monitor catch from these exempted trips.

*Exemption from Number of Gillnets for Day Gillnet Vessels (18)*

*Comment 4:* Oceana commented in support of NMFS' proposal to deny this exemption in GOM, but urged NMFS to deny the exemption for other broad stock areas and all vessel categories. Oceana stated that the use of anchored sink gillnets poses a serious threat to the effective management of the fishery and the recovery of overfished stocks. They suggested several measures to control the use of gillnets, including revising the Vessel Trip Report regulations and limiting gear configuration and soak times.

NESSN and NEFS XI supported NMFS' proposal to grant this exemption in GB and SNE/MA, but disagree with the proposal to deny it for GOM. They suggested granting the exemption for the GOM with restrictions on certain blocks, as was approved in past years, or with additional modifications for the 2015 fishing year. They referenced the constraints already placed on sectors by low ACLs and resulting sector allocations. They state that with such a low GOM cod ACL, Day gillnet vessels will already be strategizing on how to avoid catching cod, and therefore do not need further limits on the amount of gear they can use. NESSN urged NMFS to work with the sectors to find a workable alternative to denying this exemption in the GOM.

*Response:* As discussed in the preamble, the exemption from the number of gillnets for Day gillnet vessels is granted in the GB, SNE, and MA RMAs, but is denied in the GOM. We agree with Oceana's comment and disagree with the sector organizations concerning the GOM: The condition of the GOM cod stock warrants additional protective measures in the GOM. Framework 53 sets an acceptable biological catch (ABC) that is well below the estimate of

incidental catch of GOM cod that occurred in fishing year 2013. The denial of these exemptions are expected to help minimize incidental catch or bycatch of GOM cod in gillnets, and is intended to serve as a complement to the measures taken in Framework 53. Data in the EA accompanying this rule indicate that, between 2009 and 2012, the number of gillnet trips fluctuated but generally fell, the amount of catch from gillnet gear decreased, and the number of gillnet gear days (used as a proxy for effort) increased. Between 2009 and 2012, sector gillnet vessels were not operating more efficiently. For 2013, the last year for which we have data, trips, catch and gear days for gillnet gear all decreased. At this time, it is unknown if this more recent decrease in effort is a trend. Therefore, we have denied this exemption in the GOM as an additional measure to help sectors avoid GOM cod.

The 2014 interim action for GOM cod originally rescinded this exemption for fishing year 2014 for the GOM RMA. In that rule, we also suspended the GOM Rolling Closures and implemented seasonal interim closures intended to better protect spawning aggregations of GOM cod. We noted our concern that “continuing the exemption could cause barriers of gillnets along the boundaries of closed areas that would otherwise catch cod going into or coming out of the closed areas.” As a result, we revoked the exemption as a discrete and effective measure that could reduce the overall mortality of GOM cod. Framework 53 to the NE Multispecies FMP removes the GOM Rolling Closures, and permanently replaces them with GOM cod closures, which are intended to protect spawning GOM cod, reduce fishing mortality on GOM cod, and provide additional fishing opportunities for groundfish vessels to target healthy groundfish stocks. We remain concerned that granting the exemption in the GOM could continue to contribute to or cause barriers of gillnets along these discrete closures which were intended to protect spawning. As a result, we have denied the exemption in the GOM.

Oceana also suggested several measures to control and monitor the use of gillnet gear. At this time, we do not believe it is necessary to implement additional requirements on gillnet vessels. Through the sector system, sector managers and NMFS are able to monitor the catch of all species in a timely manner. Further, regulations at § 648.87(b)(1)(ii) require all vessels in a sector to cease fishing operations in a stock area once the sector has harvested its allocation for a particular stock. This requirement has been sufficient to ensure that sectors remain within their quota. Therefore, additional measures are not necessary at this time and are outside of the scope of this action.

Oceana further urged NMFS to deny the exemption from the number of gillnets for Day gillnet vessels in all areas and for all vessel categories. Denying this exemption in the GOM is intended to help avoid incidental catch of GOM cod. Given the low GOM cod ACL approved as part of Framework 53, as well as other measures, we expect that vessels will not target GOM cod, but will instead catch it as incidental catch while targeting other groundfish stocks. This exemption is specific to Day gillnet vessels, which are allowed to leave gear in the water untended, which increases effort that may result in additional incidental catch. Limiting the number of gillnets is expected to reduce incidental catch of GOM cod.

At this time, we do not believe it is necessary to deny this exemption in other RMAs. While groundfish stocks in the other RMAs are overfished or overfishing is occurring, those stocks are in rebuilding programs and have ACLs that may support directed fisheries. Also, expanding the reduction in gillnet effort to all vessel categories is beyond the scope of this action and would require Council action. Therefore, denying this exemption in other RMAs is not warranted at this time.



NESSN and NEFS XI urged NMFS to work with the sectors to find a workable alternative to denying this exemption in the GOM. As discussed below, one sector took a proactive approach to managing their GOM cod quota, by including fishing restrictions intended to help members avoid concentrations of GOM cod. We would welcome proposals from other sectors, and will work with sectors to develop approvable measures for their operations plans. If these measures are sufficient, we could consider granting this exemption in the GOM. Additionally, if sectors do not wish to develop such measures, its member vessels could elect to operate as Trip gillnet vessels. Trip gillnet vessels are not restricted to a maximum number of nets.

*Exemption from the 6.5-inch (16.5-cm) Mesh Size for Directed Redfish Trips (19)*

*Comment 5:* AFM, NESSN, and two members of the industry commented in support of this exemption. One industry member commented that this exemption will redirect effort away from GOM cod and onto redfish, which he describes as underutilized. That industry member also stated that the proposed 5.5-inch (14.0-cm) mesh codend is the correct size for targeting redfish. AFM and an industry member both commented in support of the flexibility that the exemption provides. AFM requested that NMFS provide sectors with a detailed description of all requirements that must be met to use the exemption. AFM supports strict monitoring, and an industry member commented in support of not requiring industry-funded at-sea monitoring coverage with this exemption. NESSN commented with support for catch thresholds, and stated that the chosen thresholds adequately reflect the likely proportion of redfish catch while using a 5.5-inch (14.0-cm) mesh codend. They agreed with the adjustment to the exemption area out of concern for GOM cod, and feel that the requirements of the exemption adequately address

OLE's concerns. NESSN also commented that the Agency can revoke the exemption mid-season if sectors are not meeting the requirements of the exemption.

*Response:* In previous years, we have granted versions of the redfish exemption that were more restrictive. To ensure that sector vessels using the exemption effectively targeted redfish, did not target other species with a smaller mesh, and attempted to avoid catching sub-legal or juvenile groundfish, we placed additional requirements on sectors when using this exemption such as 100-percent observer coverage, redfish catch thresholds of 80 percent, and higher mesh sizes. The intent of these exemptions has always been to allow vessels to target redfish while balancing the FMP's mortality, selectivity, and spawning protection objectives; however, we have heard from the sectors in the development of the fishing years 2015 and 2016 exemption that these requirements are too onerous, and have discouraged the use of the exemption.

This year, we are changing some of the requirements from past years. It is our hope that this exemption, which allows vessels to use a smaller mesh size (5.5 inches; 14.0 cm), fish on a combined groundfish/redfish trip, and have a lower target of redfish (50 percent), will result in more effort in the redfish fishery, while still meeting FMP's mortality, selectivity, and spawning protection objectives.

We believe that this exemption will help direct effort onto redfish, a healthy stock. The redfish exemption area lies offshore, where there has been lower catch of GOM cod, and therefore we agree with the comment that this exemption will redirect effort away from GOM cod. As mentioned above, Framework 53 has set an ABC below the 2013 incidental catch estimates, and so sector vessels will already be attempting to avoid the catch of GOM cod. To assist with this, and because of our continued concern for GOM cod, we removed two blocks

(one for the entire year, one seasonally) from the 2014 exemption area. These two blocks are known to have higher levels of GOM cod catch and/or spawning activity and removing them from the exemption area will further reduce the likelihood of GOM cod interactions for vessels using the exemption.

We intend to monitor this exemption closely, with increased coordination with enforcement, to ensure that it is not increasing the catch of undersized or juvenile groundfish or significantly increasing incidental catch of GOM cod. We will be reviewing catch data, observer data, and fishing practices closely. If we determine at any time that this exemption is causing concerning levels of bycatch of undersized groundfish, incidental catch of GOM cod, or fishing practices that adversely affect ASM, we intend to work with sector managers to correct the problem; however, the RA retains the authority to rescind approval of this exemption as needed. Monitoring will also provide us with more data on which we can refine future decisions regarding the optimal mesh size and threshold for a sustainable redfish fishery.

Having learned in past years that additional monitoring coverage as part of this exemption leads to decreased use by the fishing industry, we have not proposed additional monitoring requirements for fishing years 2015 and 2016. The observer coverage rate for sectors, including vessels fishing under this exemption, will be 24 percent. The NEFOP portion is 4 percent; the ASM portion is estimated to be 20 percent. Sectors will likely be required to pay for the sea day cost of ASM for part of the 2015 fishing year.

We will provide sectors who have selected the exemption with the full requirements for using the exemption through their operations plan and LOAs before the beginning of the fishing year. This will include the correct process for declaring a redfish trip via PTNS and VMS, reporting requirements, gear use and stowage requirements, and area and time constraints.

### *GOM Haddock Sink Gillnet Mesh Exemption*

*Comment 6:* NESSN and NEFS XI commented that they disagree with NMFS' proposal to deny the GOM Haddock Sink Gillnet Mesh Exemption. They state that the exemption would allow them to selectively target GOM haddock, a stock which is rebuilding, with minimal catch of GOM cod.

*Response:* We agree that the status of GOM haddock has improved. We released an updated stock assessment for GOM haddock in October 2014, which indicated that GOM haddock is no longer overfished and overfishing is not occurring. This change was due primarily to the addition of three more years of fishery and survey data, and to the very strong 2010 year class of GOM haddock. As a result we published an emergency rule (79 FR 67090) on November 12, 2014, increasing the commercial sub-ACL.

However, while the GOM haddock stock is improving, the GOM cod stock is at a critically low level. In the proposed rule, we proposed to deny the GOM Haddock Sink Gillnet Exemption due to our concern for GOM cod. We noted our concern that continuous fishing of gillnets left in the water and the potential to disrupt spawning when GOM cod are caught. We also noted that using nets smaller than the minimum size may affect GOM cod mortality. Amendment 16 to the NE Multispecies FMP provided in-depth analysis of this exemption, when it proposed and analyzed a fishery-wide pilot program. It noted that "sink gillnets are also effective at targeting cod and pollock, and this measure may also affect mortality of these two stocks... As can be seen in the cod selectivity curve (Figure 132), 6 inch gillnets will select smaller cod than 6.5 inch gillnets," but noted that the average was still larger than the minimum size. This analysis, however, was done at a time when the GOM cod stock was under a successful rebuilding program. As previously discussed in the response to Comment 4, any

additional pressure on the GOM cod stock could severely affect its ability to rebuild from critically low levels. Further, it would be inconsistent with our approval of the GOM cod ACL amount below the 2013 incidental catch level and the GOM cod protection closures in Framework 53 that are designed to further reduce GOM cod mortality. Therefore, we have denied this exemption for fishing years 2015 and 2016.

#### *VMS Powerdown*

*Comment 7:* NEFS XI commented that they do not support NMFS' proposal to deny this exemption. They state that if the exemption is not approved, compliance with the requirement to keep VMS powered will still be an issue. NEFS XI recommended more robust outreach directly to the industry on the part of NMFS to increase compliance, rather than through sector managers.

*Response:* VMS is a tool that allows enforcement to monitor compliance, track violators, and provide evidence to support enforcement actions. The system uses satellite-based communications from on-board units, which send position reports that include vessel identification, time, date, and location, and are mapped and displayed on the end user's computer screen. NMFS uses VMS to monitor the location and movement of commercial fishing vessels. All active sector vessels are required to use VMS. Each unit typically sends position reports once an hour. Within the groundfish fishery, it is a critical tool for monitoring the fishery. Non-compliance with VMS requirements decreases our confidence in our ability to adequately monitor the fishery.

We first granted an exemption allowing sector vessels the ability to power down while at the dock beginning in fishing year 2011. Beginning in fishing year 2012, OLE recognized a lack of compliance with the requirements of this exemption, such as not sending the VMS powerdown code before turning off the VMS unit, not turning on the VMS unit before leaving

the dock, or turning off the VMS unit before docking. We raised our concerns over compliance with managers on our monthly sector manager conference calls. Seeing that compliance had not improved, OLE worked to identify sector members that were out of compliance with this exemption. We provided this information to sector managers and requested their assistance in reaching out to their members. At that time, we informed sector managers that if compliance did not improve during fishing year 2013, we would reconsider approving the exemption for fishing year 2015. After receiving the request for this exemption for fishing year 2015, we re-examined compliance with the exemption, updated with available data from fishing year 2014, and found that compliance had not improved. Therefore, we are denying the exemption for fishing year 2015.

We have heard the concerns raised by NEFS XI and others regarding the disapproval of the VMS powerdown exemption. NEFS XI explained that some of its members “do not have the ability to maintain their VMS systems while in port as these vessels do not have access to shore power” which may lead to VMS shut down. We understand this inconvenience, and will work with sector vessels, as appropriate, when this occurs. We note, however, that vessels successfully complied with this requirement for many years prior to our granting these exemptions. Additionally, sectors are welcome to request, and we may consider, this exemption at a future date. However, we would require sectors to demonstrate a clear plan for maintaining a high level of compliance with the exemption’s requirements.

#### *At-Sea Monitoring*

*Comment 8:* Oceana commented that the 24-percent monitoring level is too low, asserting that this level adds clear incentives to misreport discarded fish and create harmful bias. They contend that the agency must require monitoring levels that preclude behavioral differences

between observed and unobserved trips, or else expand the use of uncertainty buffers to account for the low monitoring levels. The Center for Biological Diversity commented that 100-percent observer coverage is necessary.

*Response:* Similar comments have been received on previous fishing years' sector operations rules, and the responses can be found in the published final rules, most recently the 2014 Sector Operations Final Rule (79 FR 23278; April 28, 2014) and the 2013 Sector Operations Final Rule (78 FR 25591; May 2, 2013).

We have determined that 24-percent observer coverage of sector trips is sufficient, to the extent practicable in light of Magnuson-Stevens Act requirements, to reliably estimate catch for purposes of monitoring sector ACEs and ACLs for groundfish stocks. This determination is based in part on the statistical sufficiency of the level of coverage as summarized in more detail at:

[http://www.greateratlantic.fisheries.noaa.gov/ro/fso/reports/Sectors/ASM/FY2015\\_Multispecies\\_Sector\\_ASM\\_Requirements\\_Summary.pdf](http://www.greateratlantic.fisheries.noaa.gov/ro/fso/reports/Sectors/ASM/FY2015_Multispecies_Sector_ASM_Requirements_Summary.pdf). Our determination also incorporates how data and information are collected and analyzed, including obligations on sectors to self-monitor and self-report, which is linked to agency monitoring. For the most part, these commenters have generally asserted that this system and level of monitoring is not adequate without providing any specific justification or information to support their assertion.

Amendment 16 specified that ASM coverage levels should be less than 100 percent, which requires that the discard portion of catch, and thus total catch, be an estimate. Amendment 16 also specified that the ASM coverage levels should achieve a 30-percent CV. The level of observer coverage, ultimately, should provide confidence that the overall catch estimate is accurate enough to ensure that sector fishing activities are consistent with National

Standard 1 requirements to prevent overfishing while achieving on a continuing basis optimum yield from each fishery. To that end, significant additional uncertainty buffers are established in the setting of ACLs that help make up for any lack of absolute precision and accuracy in estimating overall catch by sector vessels.

In developing Amendment 16, the Council anticipated that NEFOP might not have sufficient resources to fund sector catch monitoring, so Amendment 16 specified that starting in fishing year 2012 sectors would be required to develop an industry-funded ASM program to monitor sector catch. The NEFOP program provides at-sea observers, and the coverage provided to sectors by that program partially satisfies the sector-specific ASM provision. Collectively, the at-sea coverage provided by the ASM and NEFOP programs is providing more data for quota management and assessment science than was available to NMFS prior to implementation of Amendment 16.

On February 18, 2014, in *Oceana, Inc. v. Pritzker*, 1:13-cv-00770 (D.D.C. 2014), the Court upheld our use of a 30-percent CV standard to set ASM coverage levels. In addition to upholding our determination of sufficient coverage levels, the Court noted that the ASM program is not the sole method of monitoring compliance with ACLs, there are many reporting requirements that vessels adhere to, and there are strong incentives for vessels to report accurately because each sector is held jointly and severally liable for overages and misreporting of catch and bycatch.

*Comment 9:* Oceana commented that at-sea monitoring coverage levels should be set at the vessel level of stratification. They state that this is because sector operations plans specify that sector members are to harvest an amount of fish equal to the amount each member's permit contributed to the sector.



*Response:* Amendment 16, developed by the Council and approved by NMFS, allows each sector to determine which vessels will actively fish and how best to harvest its allocation, including decisions regarding consolidation. Amendment 16 did not place restrictions on a sector's decision of how to allocate ACE to its members. Thus, each sector is free to determine how ACE will be assigned to its member vessels. For fishing years 2015 and 2016, sectors generally have elected to assign each member the portion of the sector's ACE that it brings to a sector. This is typically based on each permit's contribution to the sector's ACE, as modified by the sector. In practice, in some years, sector members have opted to pool some stock's ACEs for use by all members. This does not mark a change from previous fishing years.

Additionally, Amendment 16 specified a performance standard that coverage levels must be sufficient to at least meet the coefficient of variation (CV) specified in SBRM (a CV of 30 percent), but was unclear as to what level the CV standard is to be applied to—discard estimates at the stock level for all sectors, or for each combination of sector and stock. Framework 48 clarified that the CV standard is intended to apply to discard estimates at the overall stock level for all sectors combined. As discussed in NMFS' response to comments on Framework 48, the Council and NMFS have determined this level is sufficient as a minimum standard for monitoring sector ACEs, consistent with the goals of Amendment 16 and the FMP.

#### *GOM Cod*

*Comment 10:* AFM and SHS commented on the "Gulf of Maine Cod Program," which contains voluntary measures to help those sectors avoid concentration of GOM cod, and that SHS 1 and 3 have created and adopted.

*Response:* We appreciate the Sustainable Harvest Sectors' efforts to reduce the fishing impacts on GOM cod. We understand that this program is voluntary and only applies to SHS 1

and 3. We also understand that SHS 1 and 3 can discontinue the program as they see fit, but the sectors will be required to request an operations plan amendment if they choose to do so.

#### *Two-Year Operations Plans*

*Comment 11:* NESSN commented in support of the transition to 2-year operations plans. They hope streamlining this process will allow for “more effective proactive communication and collaboration for tools that foster effective sector management, such as sector exemptions.” They noted the importance of maintaining flexibility in the second year of operations. Specifically, NESSN highlighted the need for sectors to request and develop exemptions and for members to re-evaluate their enrollment decision prior to May 1, 2016.

*Response:* We are approving sector operations plans for fishing years 2015 and 2016. This is an important step toward streamlining the sector approval process. We share NESSN’s hope that approving operations plan for 2 years will allow sectors and NMFS to work together on the development of exemptions and other proactive measures to address emerging issues. We also hope that we can collaborate with the sectors to further streamline sector requirements.

As stated in the proposed rule, we will allow permit holders the opportunity to join, change, or drop out of sectors for fishing year 2016. Consistent with past years, we will distribute fishing year 2016 PSC letters to permit holders, set 2016 roster deadlines, and notify permit holders and sector managers of the fishing year 2016 deadlines. Once sectors submit their roster information, we will publish sector ACEs and common pool sub-ACL totals, based upon fishing year 2016 rosters.

We understand the importance of being able to request additional exemptions in the second year of operations, especially given low ACLs and other restrictive management measures approved by the Council. We encourage sectors to submit requests for new or revised

exemptions at any point during fishing years 2015 and 2016. After reviewing any request, we will provide sectors with comments on their request, and work with them to develop an acceptable exemption and will grant or deny the exemption consistent with the Administrative Procedure Act. We may combine exemption requests into one or more rules, as staff resources allow.

*EA*

*Comment 12:* NESSN commented on the lack of analysis in the EA for the GOM Haddock Sink Gillnet Mesh exemption, stating that “it continues to be unclear why an exemption disapproved because of stock status is not automatically reconsidered and analyzed in light of a change in stock status.”

*Response:* NMFS considered several exemption requests, but rejected them for further analysis in the EA, including the GOM Haddock Sink Gillnet Mesh exemption. In previous cases, we have considered but rejected most exemptions we denied for fishing years 2010 through 2014, unless the sectors were able to provide new information or data to support their current request. We denied this exemption, which was requested to facilitate catch of GOM haddock, in fishing years 2013 and 2014 because of the poor condition of the GOM haddock stock. While a new stock assessment found GOM haddock to be in improved condition, since then a separate assessment found GOM cod to be in poor condition. We did not update our analysis of this exemption’s impact on GOM haddock in the EA for this action because we are denying the GOM Haddock Sink Gillnet Exemption in this action due to this gear’s potential adverse impact on GOM cod. We recognize that the condition of stocks changes over time, and may reconsider and reanalyze this exemption in future actions based on updated stock condition for GOM cod, GOM haddock, and other stocks in the multispecies fishery. In this action,

however, because of the poor condition of GOM cod requiring us to deny this exemption request, we considered but rejected this exemption from further analysis in the EA.

## **Classification**

Pursuant to section 304(b)(1)(A) of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act), the NMFS Assistant Administrator has determined that this final rule is consistent with the NE Multispecies FMP, other provisions of the Magnuson-Stevens Act, and other applicable law.

This action is exempt from the procedures of Executive Order 12866 because this action contains no implementing regulations.

Because this rule relieves several restrictions, the AA finds good cause under 5 U.S.C. 553(d)(1) and (3) to waive the 30-day delay in effectiveness so that this final rule may become effective by May 1, 2015. Sector Operation Plan exemptions grant exemptions or relieve restrictions that provide operational flexibility and efficiency that help avoid short-term adverse economic impacts on NE multispecies sector vessels. When the 17 approved Sector Operations Plans become effective, sector vessels are exempted from common pool trip limits, DAS limits, and seasonal closed areas. These exemptions provide vessels with flexibility in choosing when to fish, how long to fish, what species to target, and how much catch they may land. They also relieve some gear restrictions, reporting and monitoring requirements, and provide access to additional fishing grounds through the authorization of 19 exemptions from NE multispecies regulations for fishing years 2015 and 2016. This flexibility increases efficiency and reduces costs.

In addition to relieving restrictions and granting exemptions, avoiding a delay in effectiveness prevents vessel owners from incurring significant adverse economic impacts. A

delay in implementing this rule would prevent owners who joined a sector in fishing year 2015 (842 permits, accounting for 99 percent of the historical NE multispecies catch) from fishing during the delay and would diminish the advantage of the flexibility in vessel operations, thereby undermining the intent of the rule. During any delay, sector vessels would be prohibited from fishing for groundfish. Being prohibited from fishing for up to 30 days would have a significant adverse economic impact on these vessels because vessels would be prevented from fishing in a month when sector vessels landed approximately 10 percent of several allocations, including Eastern GB cod and GB winter flounder. Further, sector vessels could only fish during this delay if they chose to fish in the common pool. Once they switched to the common pool, however, they could not return to a sector for the entire fishing year and would forego the flexibility and economic efficiency afforded by sector exemptions. Vessels choosing to fish in the common pool to avoid a 30-day delay in the beginning of their season would then forego potential increased flexibility and efficiencies for an entire fishing year. For the reasons outlined above, good cause exists to waive the otherwise applicable requirement to delay implementation of this rule for a period of 30 days.

The Chief Counsel for Regulation of the Department of Commerce certified to the Chief Counsel for Advocacy of the Small Business Administration during the proposed rule stage that this action would not have a significant economic impact on a substantial number of small

entities. The factual basis for this certification was published in the proposed rule and is not repeated here. No comments were received regarding this certification. As a result, a regulatory flexibility analysis was not required and none was prepared.

Authority: 16 U.S.C. 1801 *et seq.*

Dated: April 20, 2015

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Eileen Sobeck,  
Assistant Administrator for Fisheries,  
National Marine Fisheries Service.

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